Exhibit 7

Lebanon

High debt, high deficit: Lebanon's economic woes fuelling protests

Lack of reforms pose challenge for political elite as protesters force Hariri to resign

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Heba Saleh in Cairo OCTOBER 31 2019

The resignation of Saad al-Hariri as Lebanon's prime minister on Tuesday has plunged the country's economy deeper into uncertainty as protesters continue to occupy public squares, calling for a clear-out of the entire political elite.

Banks remain shuttered for a second week amid fears that the unrest will trigger capital flight and a run on lenders by customers anxious about their dollar deposits. The Banking Association said they would reopen on Friday.

"Given the uncertain political outlook, the risk of capital flight is very high, should banks open on Friday," said Alia Moubayed, managing director at Jefferies International, a US investment bank.

"Imposing temporary capital control before that [happens] is necessary, in order to contain further downside risks to the credit and avoid a serious public backlash against banks and the Banque du Liban [the central bank]."

A loss of confidence in the banks could jeopardise the dollar peg the country has maintained for two decades, analysts say, leading to a disorderly devaluation of the local currency, the lira, and exacerbating the political and economic instability.

The huge demonstrations that toppled Mr Hariri were triggered by government plans to tax WhatsApp calls. One of the most heavily indebted countries in the world, Lebanon has been

grappling with its fiscal deficit for years.

The country has traditionally relied on large flows of foreign currency deposits from its vast diaspora to fund debt repayments, but now these are shrinking — a reflection of investors' diminishing confidence in Lebanon's economic management.

Mr Hariri had announced economic measures last week but they failed to pacify the protesters.

“The challenge is to reestablish confidence,” said Farouk Soussa, Middle East and north Africa economist at Goldman Sachs. “There is now a credibility gap and widespread distrust in the current policymaking environment.”

Struggling with debt

Lebanon's debt is one of the highest in the world in proportion to the size of its economy, and debt service eats up a huge share of the budget. In 2019 it is expected to amount to almost 50 per cent of government revenues, according to estimates by the Institute of International Finance.

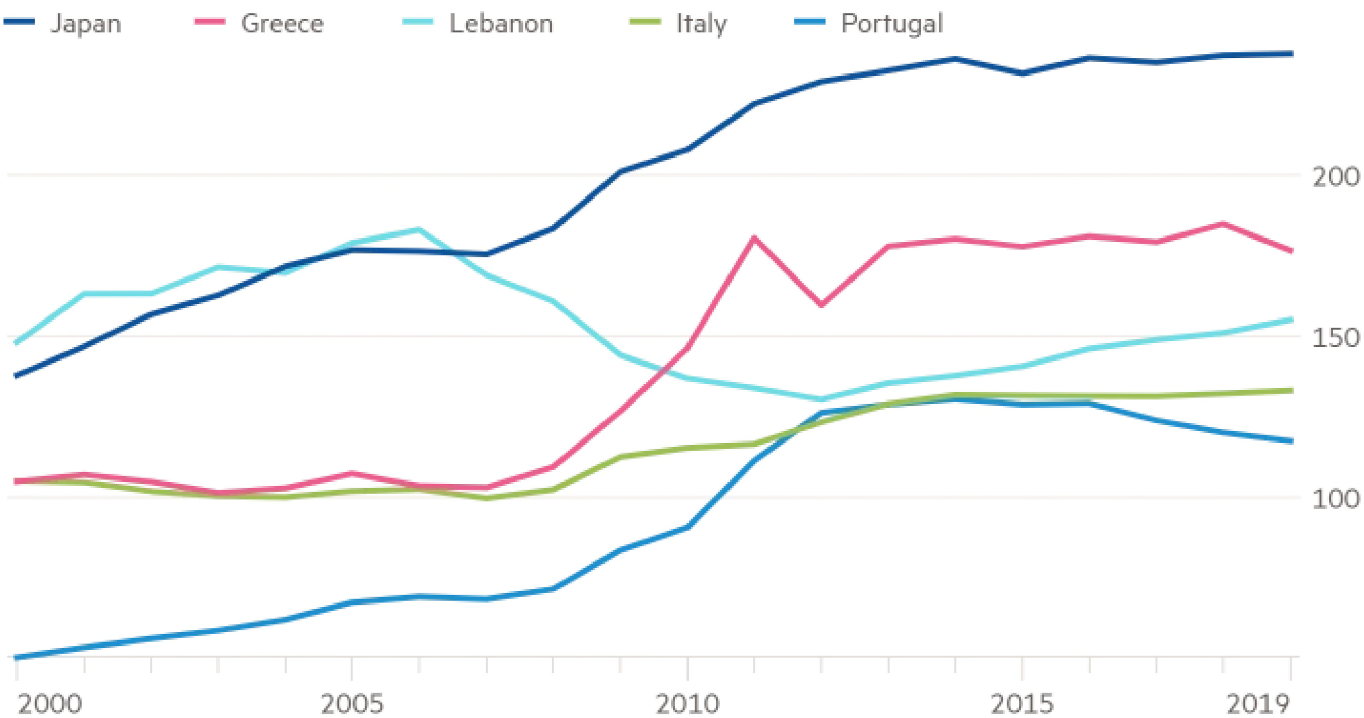
The country has always met its debt obligations, but economists say pressure has increased.

“The combination of an overvalued currency and widespread holdings of government FX debt in the local financial sector means that there is the risk of a messy default accompanied by currency and banking crises,” said Capital Economics, the London-based consultancy.

It argued that a debt restructuring was “inevitable”, and the safest way to do so would be with IMF support.

Lebanon's debt ratio is one of the highest in the world

Government debt, % GDP (selected countries)



Source: IMF

Persistent budget deficits

The government's three main expenditure items — debt service, the public sector wage bill and transfers to state-owned electricity company EDL — regularly exceed its revenues.

As a result Lebanon runs large deficits that have averaged 11 per cent of GDP in recent years.

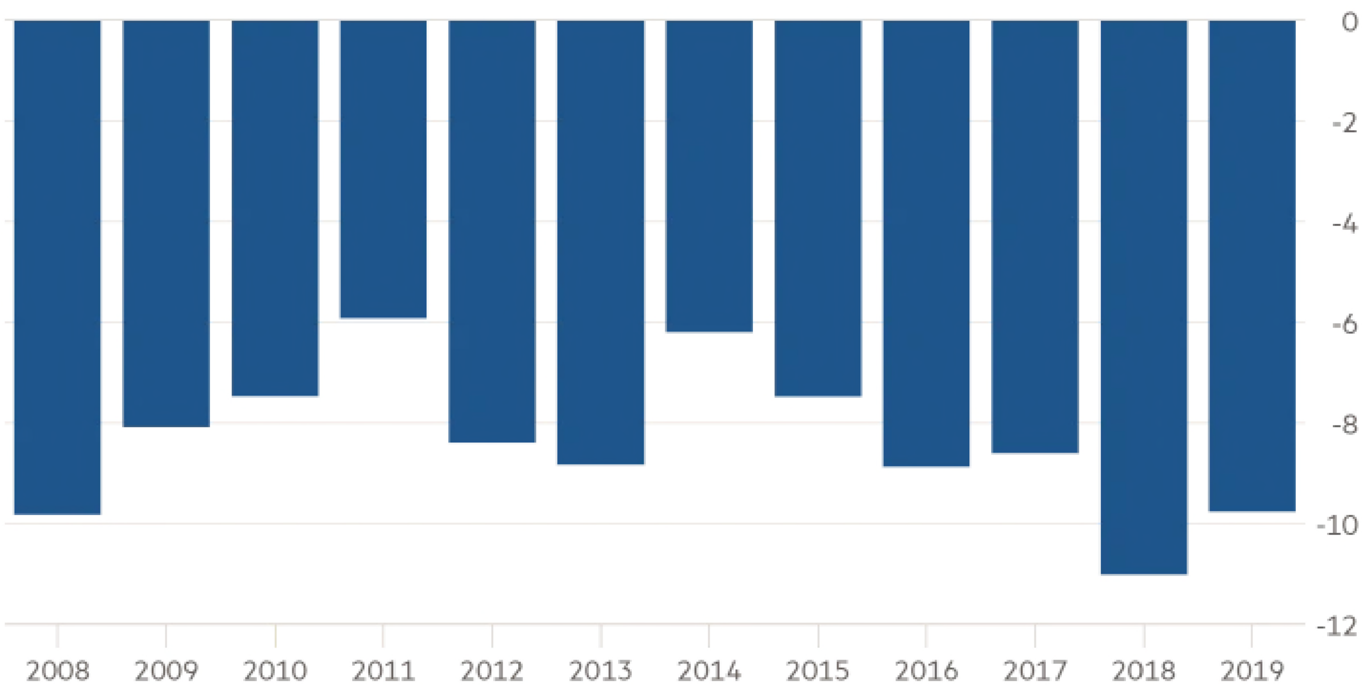
Mr Hariri's economic package included a dramatic reduction of the deficit, from an expected 8.3 per cent of GDP in 2019 to 0.6 per cent next year. This relied on one-off measures including a 25 per cent tax on commercial banks and funding from the central bank.

But Ms Moubayed at Jefferies International described some of the measures as unrealistic, warning that they could amplify downside risks.

"What happens after 2020?" she asked. "The reduction should be anchored into a medium-term fiscal framework that would restore economic credibility and investor confidence. Privatisation amid rampant corruption would be a strategic mistake."

Lebanon consistently runs sizeable budget deficits

Fiscal balance, % GDP



Source: IMF

Reliance on imports

Lebanon consumes more than it produces and relies heavily on imports that it could now find difficult to fund. The current account deficit has exceeded 25 per cent of GDP for the last three years.

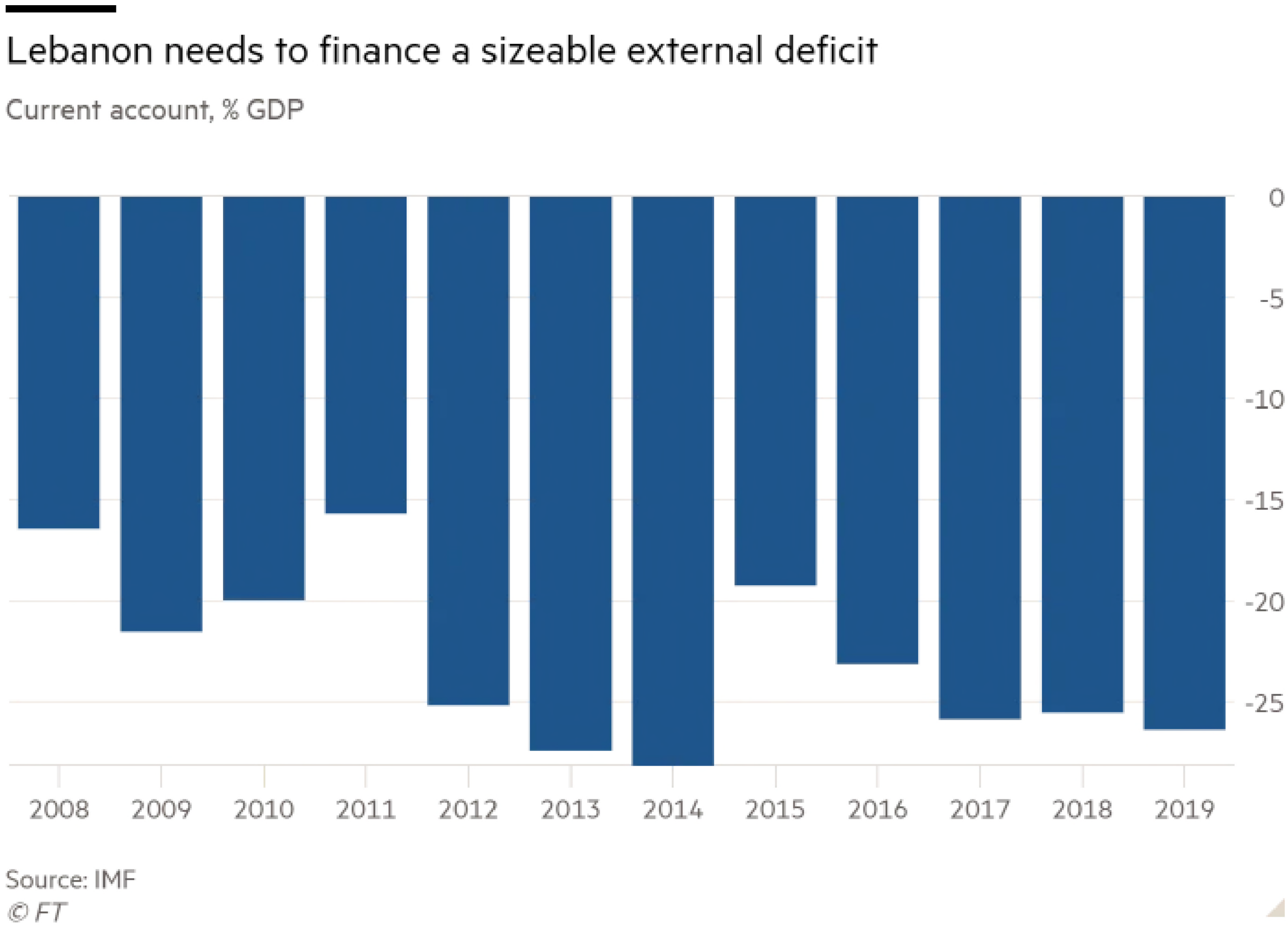
Economists say there is a need for policies to stimulate domestic industry, agriculture and export sectors such as tourism. One widespread criticism of Mr Hariri's reforms is that they did not offer a blueprint for any such transformation of the country's economic model.

Mr Hariri had hoped the economic package would unblock more than $11bn of foreign flows for infrastructure investment over the next six years; the cash was promised by international donors including the World Bank last year but is contingent on reforms.

Donors are waiting to see if his replacement in the power-sharing government, often paralysed by internal disputes, will be able to calm the streets and to offer detailed plans of how it will implement the reforms.

"There is real international willingness to help Lebanon," said a foreign banker. "The infrastructure projects won't have an immediate impact on the economy, but if the flows are approved, they will

boost confidence and show markets that there is a government that can make decisions and get them approved by the council of ministers and parliament."



Falling foreign reserves

The central bank's foreign currency reserves have fallen about 17 per cent from an all-time high of $36.8bn two years ago to $30.6bn in mid-September.

In May 2019 net deposit inflows turned negative for the first time in a decade, according to Goldman Sachs.

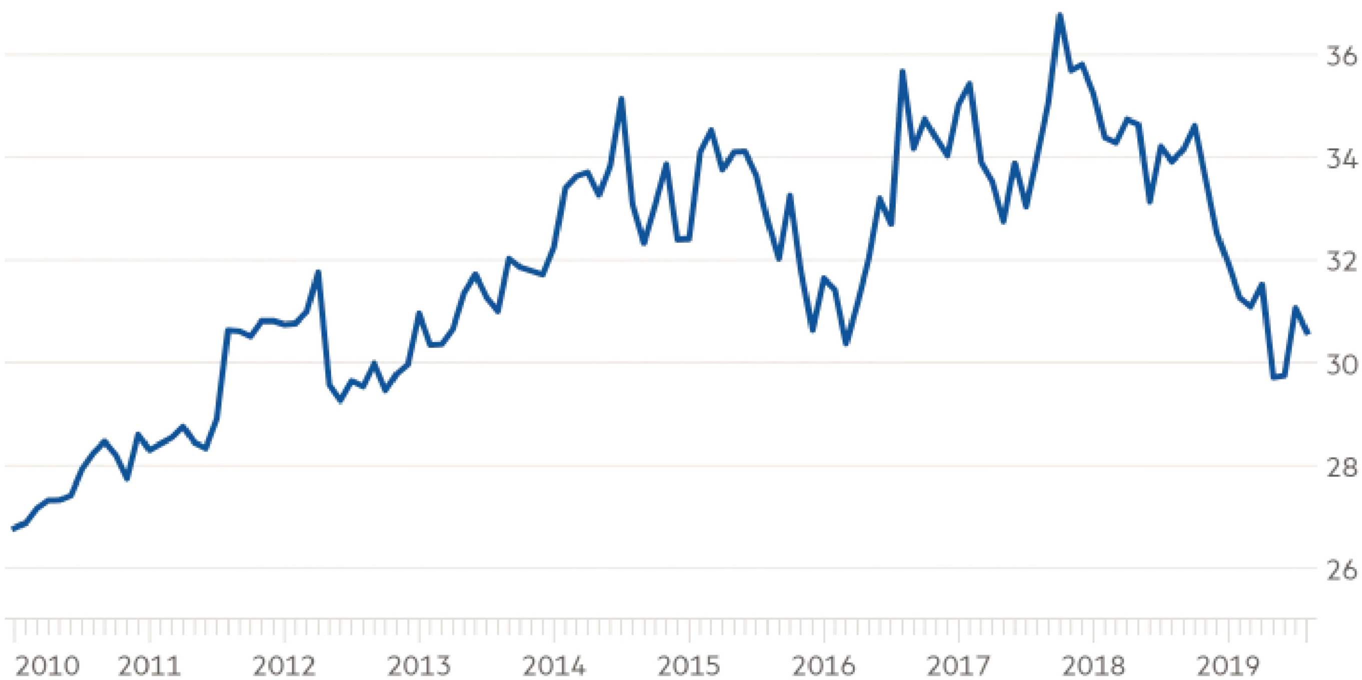
This suggests that time is running out for Lebanon's policymakers to find a way of shoring up their credibility with the population and investors.

"The immediate priority has to be increasing the inflow of capital into the economy because the number one challenge is the lack of foreign exchange," said Mr Soussa. "The best-case scenario is for the protests to result in some meaningful reforms on the political and economic front, that would reset the inflows of international deposits and Gulf money."

However, he added, "the likelihood of that happening is uncertain".

Reserves are down sharply

Foreign currency reserves, $bn



Source: Haver Analytics
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